

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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## Central Intelligence Bulletin

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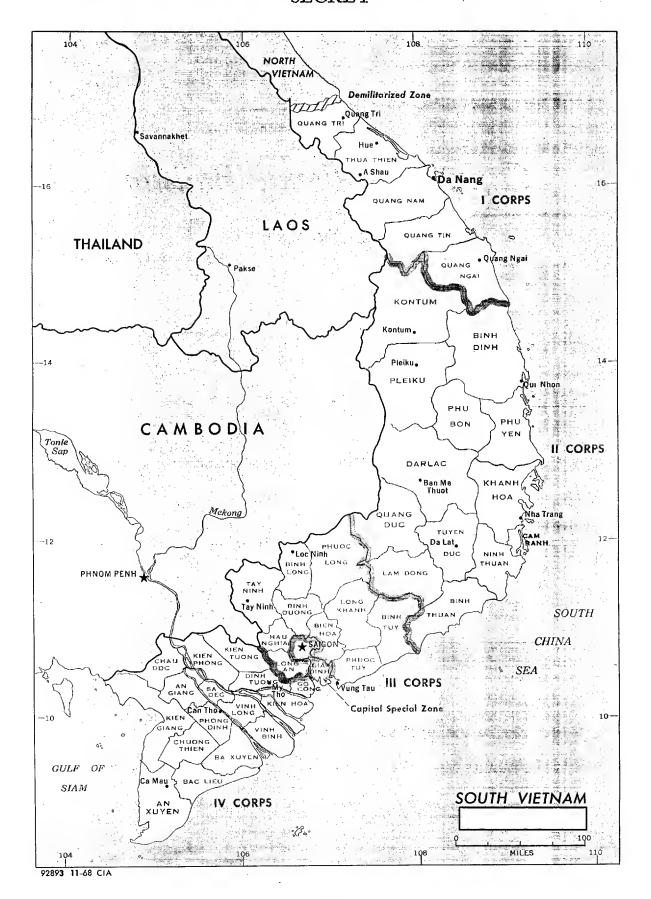
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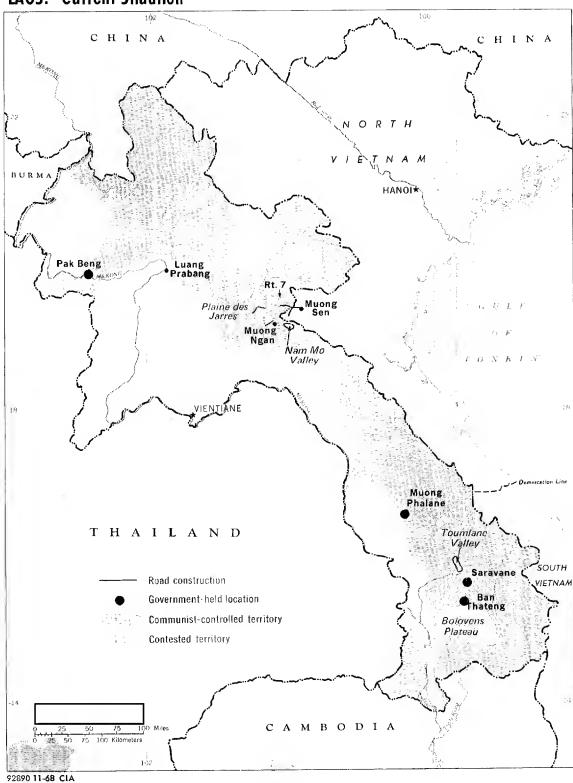
Vietnam: The Communists launched no significant new attacks on 17-18 November.

There may be a follow up, however, to the flurry of activity over last weekend. Although the Communists' 38th Regiment is believed to have lost over 300 men in the weekend actions near Da Nang, a number of prisoners claim that more attacks are scheduled this week against allied installations in and near the city.

In addition, there are some signs of Communist planning to step up activity in the delta provinces, but enemy supply and personnel problems seem likely to limit any new campaign there to occasional heavy shellings and small-scale ground attacks.

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Laos: The military situation is heating up as the Communists begin to apply pressure in northern Laos.

North Vietnamese and Pathet Lao troops have captured a number of outlying defensive positions around the government guerrilla base of Pak Beng in southwestern Luang Prabang Province. At last report, the enemy threat to the base had been blunted, but it is unlikely the position can be held in the face of a concerted thrust. The Communist offensive in this heretofore quiet area may be in reaction to government operations that have been mounted from Pak Beng against Pathet Lao elements along the Thai border.

The Communists are also demonstrating new interest in government guerrilla positions near the North Vietnamese border south of Route 7. Three North Vietnamese battalions are reported to have recently deployed into Laos in this area. Although they have not yet gone into action, it is likely that they will try to clear government positions that are presently blocking progress on a new road linking Muong Sen with Muong Ngan. In addition, the enemy is now within easy striking distance of numerous government outposts to the south of the Nam Mo Valley that have managed to escape previous enemy offensives.

In the south, enemy forces are still active near Muong Phalane, but recent heavy casualties appear to have slowed their effort to retake the village. The government, meanwhile, is attempting to move out of defensive enclaves north of the Bolovens Plateau. Aided by close air support, and in the face of only light enemy resistance, friendly troops recently re-established a foothold in the Toumlane Valley, some 20 miles north of the provincial capital of Saravane.

Government forces are also moving to clear enemy forces east of Ban Thateng as part of a longer

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range effort to ease the Communist threat in the Bolovens Plateau area and extend the government's holdings eastward. The North Vietnamese are extremely sensitive to encroachment into the vital infiltration corridor, however, and a sharp riposte to government moves probably will not be long in coming.

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France: French Prime Minister Couve de Murville indicated yesterday that the De Gaulle government will try to ride out the current wave of speculation against the franc.

In a well-advertised television speech, Couve announced new measures, principally a reduction of budgetary expenditures and a tightening of credit, that the government hopes will restore confidence in the national currency. He claimed that international financial assistance to support the franc, presumably in the form of loans, would be available from the other Western powers.

The failure, however, of the meeting last weekend in Basle of the representatives of the central banks to agree on a decisive move--either an upward revaluation of the German mark or a devaluation of the French franc--left the speculative drain on French reserves unchecked.



Rhodesia-UK: The latest round of British-Rhodesian talks on terms for Rhodesian independence has ended with no solution in sight.

After the appearance of some initial movement toward a settlement, negotiations stopped short of any agreement on the issue of an external safeguard for the political rights of Rhodesian blacks and on a number of closely related points of difference. Smith apparently has refused to go much beyond terms that he reportedly accepted in October--token African representation in his government and an elected bloc of Africans making up one fourth of the Rhodesian parliament.

The British seemed to be leaving the way open for further contacts even as the latest round of talks was ending in a stalemate, but it is unclear now at what level or when discussions might resume.

#### NOTES

USSR: The USSR's recent purchase of US technology and equipment paves the way for the mass production of Soviet color television sets by 1970. The Soviets had planned to use French-designed picture tubes, but production problems forced them to look elsewhere. Delivery of the US equipment will be completed during the first quarter of 1969. US technology should permit the Soviets to produce 200,000 color sets by 1970, and to reach maximum output levels of 1 to 1.5 million sets by 1975.

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Somali Republic: In a recent conversation with the US defense attaché, the deputy commandant of the Somali Army, General Ibrahim, claimed that the Somalis have surface-to-air "rockets" at Hargeisa in northern Somalia. The defense attaché since August has forwarded a number of other reports that Soviet-supplied SA-2 SAMs have been sighted at Hargeisa. All previous reports have been inconclusive, and there has been no independent evidence confirming the presence of SAMs in Somalia.

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